

STAND. COM. REP. NO. **3255**

Honolulu, Hawaii

APR 03 2014

RE: H.B. No. 1741
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B.
No. 1741 entitled:

"A BILL FOR AN ACT RELATING TO COUNTY INFRASTRUCTURE CAPACITY
BUILDING CONSTRUCTION FINANCING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish and appropriate moneys from the infrastructure capacity construction loan revolving fund to provide loans to the counties, state agencies, and private developers for infrastructure improvements to increase the capacity of infrastructure facilities.

The Department of Commerce and Consumer Affairs; the Department of Planning and Permitting; The Pacific Resource Partnership; Building Industry Association; The Chamber of Commerce of Hawaii; and the Land Use Research Foundation of Hawaii provided testimony in support of this measure. The Department of Budget and Finance and the Department of Business, Economic Development, and Tourism provided comments.

Your Committee finds that much of Hawaii's infrastructure is in serious disrepair and requires significant capital improvement investment. Your Committee further finds that orderly and planned infrastructure construction is the foundation for planned population growth and desirable communities. Furthermore, an incentivized financing program for the development of planned infrastructure capacity development will support economic development. Therefore, your Committee believes that the



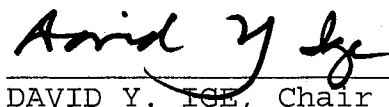
establishment of the infrastructure capacity construction loan revolving fund will allow for necessary upgrades to Hawaii's infrastructure, accelerate infrastructure projects that otherwise may not be brought to fruition without proper financing, and help to improve the quality of life for Hawaii's residents.

Your Committee has amended this measure by:

- (1) Adding telecommunications and broadband infrastructure to the types of infrastructure improvement projects:
 - (A) That may be financed with loans from the revolving fund; and
 - (B) For which private investors may be repaid for their investment, plus any interest, made into the revolving fund;
- (2) Adding an appropriation from the general fund for an unspecified sum to the Department of Budget and Finance for the implementation, administration, and coordination of the infrastructure capacity construction loan revolving fund;
- (3) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (4) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1741, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Seventh Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 1741	Committee Referral: WAM	Date: 3-28-14		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div><input type="checkbox"/> Pass, unamended 2312</div> <div><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div><input type="checkbox"/> Hold 2310</div> <div><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne				✓
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.	✓			
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.		✓		
TOKUDA, Jill N.	✓			
SLOM, Sam		✓		
10	2	0	1	
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle A. Kidani</i>				
Distribution: <div style="display: flex; justify-content: space-between; font-size: small;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

*Only one measure per Record of Votes